

The U. S. International Trade Commission

**Olive Oil: Conditions of Competition between U.S. and Major
Foreign
Supplier Industries**

Investigation No. 332-537

Statement of Abigail Rutledge, Founder Next Door Pantry

My name is Abigail Rutledge and my company is Next Door Pantry based in New Braunfels, Texas. I operate a farmer's market and festival stands in major and smaller metropolitan areas across Texas, including New Braunfels, San Antonio, Houston, Austin, and Uvalde. This year, I expect my sales will be around \$300,000 for the year; that's sales of 30,000 bottles of olive oil or almost 600 bottles sold per week.

Our consumers are excited about finally tasting fresh, local extra virgin olive oil after being used to consuming rancid imported olive oil that they thought they were getting a good value on. These consumers are almost universally surprised to learn that fresh extra virgin olive oil tastes good, and are pleased to discover a characteristic pepperiness in their throat after tasting quality oil. These are tastes and flavors they did not recognize when they tasted their usual grocery store brand of imported olive oil. It takes us a fair amount of time and a substantial amount of product to do these demonstrations. But without tasting the oil and without having someone explain to buyers what our olive oil is and what to look for when buying it, American consumers only have price points to go by. Often times, consumers think they are comparing equal things, apples to apples, when tasting locally-produced

and imported olive oil. But once they taste our samples of Texas olive oils, they really understand that is not the case. This method of selling olive oil is time consuming and labor intensive, but based on our sales we are making good progress in making buyers aware of our quality Texas extra virgin olive oil.

Never the less, our customers have a hard time understanding why imported olive oil is so much lower priced than our olive oils, and lower prices of imported olive oil are appealing to consumers when deciding which olive oil to purchase. We promote Tom Mueller's book, Extra Virginity, as a way of explaining differences in quality of certain olive oils to our customers, and we point to the benefits to foreign growers of deeply established infrastructure enjoyed by the olive oil industry in the Mediterranean areas. We explain that the U.S. olive oil industry is just getting a foothold, and that we do not have an established infrastructure or crop subsidies amounting to billions of dollars, or orchards that have been in our family for hundreds of years like they have overseas. Our producers have to sell their olive oil for prevailing prices unlike European producers who are paid to grow olives and produce olive oil by their governments.

Since I talk to customers myself every week, I can see that they appear incensed and angry about fraudulent product labeling and the United States sending money to foreign producers of olive oil when domestic producers have a hard time selling to grocers because imports are so much cheaper.¹ Consumers say they are

¹ On May 8, 2009, in response to a Freedom of Information Act request (FOIA 09-14), the Millennium Challenge Corporation acknowledged that \$169,506,825 of Moroccan Compact funds to stimulate economic growth through investments were obligated for rain-fed olive, almond, and fig tree intensification and expansion. 55,000 hectares were tasked for intensification and rehabilitation, of which 45,000 hectares was olive trees. An additional 120,000 hectares was tasked for the expansion of fruit tree production of which 100,000 hectares was designated for olive trees.

especially upset that some of the imported olive oil they used to buy failed to meet extra virgin olive oil standards as reported in the UC Davis report.² They ask me why the USDA does not rigorously control the quality of extra virgin olive oil imports and why the FDA does not require truth in labeling for imports. Frankly, I'm at a loss as to what to tell them.

² E.N. Frankel, R.J. Mailer, S.C. Wang, C.F. Shoemaker, J.-X. Guinard, J.D. Flynn, N.D. Sturzenberger, Evaluation of Extra-Virgin Olive Oil Sold in California, (UC Davis Olive Center, April 2011).